ABSTRACT

Each company reports its business target achievement through financial statement information. The financial statements presented must have integrity so that users of financial statements can use them wisely. Cases of financial data manipulation that occurred in several companies in Indonesia showed the low integrity of financial statements presented to users of financial statements.

This study aims to examine the effects of corporate governance mechanisms proxyed with institutional ownership, independent commissioners and audit committees, and the effect of audit quality on the integrity of financial statements in Mining Companies listed in Indonesia Stock Exchange (IDX) period 2012-2016 simultaneously and partially . The data used in this study is obtained from the audited financial statements.

The population in this research is Mining Company registered in Indonesia Stock Exchange (BEI). Sample selection technique used is purposive sampling and obtained 9 companies with research period year 2012-2016. Data analysis method used in this research is panel data regression analysis using software Eviews version 9.

The results show that institutional ownership, independent commissioners, audit committee, and audit quality simultaneously affect the integrity of financial statements. While partially, institutional ownership, independent commissioners have no effect on the integrity of financial statements. Audit committee and audit quality have an effect on to integrity of financial statement.

For the next researcher is suggested to add independent variable which predicted can influence financial statement integrity. For investors to always gather information about the company that will be used as a place to invest. For corporate management it is advisable to maximize the functionality of the audit committee and use an industry-specific auditor / KAP.

Keywords: institutional ownership, independent commissioner, audit committee, audit quality, financial statement integrity